



FOR IMMEDIATE RELEASE

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FACT SHEET

SANDERS ANNOUNCES BIG WIN FOR THE CITY: FORTUNE 500'S CARDINAL HEALTH'S CLINICAL TECHNOLOGY AND SERVICES DIVISION TO REMAIN IN SAN DIEGO

*City's "BEAR" Team Key in Retention of Biotech firm that Employs 1,600;
New Facility Will be Largest Biotech Industrial Building in the County*

Mayor Jerry Sanders and Council President Scott Peters today announced the retention of a major corporate employer for the City of San Diego. Because of the personalized service offered by the City's Business Expansion, Attraction and Retention (BEAR) Team, a major operating segment of Cardinal Health Corporation will remain in San Diego.

The division based here in San Diego, Cardinal's Clinical Technology and Services, manufactures and markets medical products such as heart and medication monitoring equipment. The equipment is manufactured here in San Diego.

HIGHLIGHT OF BENEFITS TO THE CITY OF SAN DIEGO:

- Retains a Fortune 500 Company division in San Diego, reinforcing San Diego's stature as a high-tech and biotech hub.
- Retains approximately 1,600 well-paying biotech jobs with an annual payroll of approximately \$77 million within city limits, generating sales tax revenue from employees spending at local retailers.
- New Cardinal Health facilities bring increased investment to San Diego (City estimates new facility to be worth at least \$40 million).
- Retains hundred of thousands of dollars in tax revenue for the City's General Fund, which pays for City services such as public safety, street repair, libraries and parks. (The exact

dollar amount of tax revenue generated by Cardinal is proprietary information to the Company.)

BACKGROUND:

Cardinal Health's current leases were coming to an end (April 2008), and the Company was looking outside the City of San Diego to find a space where they could consolidate their operations. The company currently has employees at three different locations in the City of San Diego. Cardinal was heavily recruited by other cities in the County, but the BEAR team was able to act as a facilitator in pulling together industrial space options, leases and incentives that eventually led to Cardinal's decision to remain in San Diego.

Cardinal Health will now consolidate its operations into two locations in the City of San Diego. The company has just signed a 10-year lease with Kilroy Realty Corp. for a vacant 93,000 square foot building as well as a new 318,000 square foot building **which will make it the county's single largest biotech industrial building.**

Cardinal will break ground on its new facility on July 19, 2006. When the facility is complete Cardinal will be able to consolidate its 1600 employees into two locations, as opposed to the three locations they now use.

HOW THE BEAR TEAM WORKED WITH CARDINAL:

- Upon learning of Cardinal's potential departure from the City, members of the City's BEAR Team and senior managers within the City's Land Use & Economic Development arena immediately met with senior executives at Cardinal Health to discuss how to keep the company in San Diego.
- The BEAR Team offered a package of financial incentives to Cardinal Health which include water and sewer capacity reductions (not a waiver); and sales and use tax credits.
- The BEAR Team researched and coordinated meetings regarding developable industrial land parcels in San Diego in order to determine appropriate real estate options for the company.
- The BEAR Team worked with developer Kilroy Realty Corp. which already had permits to build three small buildings totaling 284,000 square feet on a site adjacent to an existing vacant 93,000 square-foot building in Mira Mesa. The BEAR Team arranged for Kilroy to meet with the City's Development Services Department staff to explore consolidation options that would allow the developer to construct one new 318,000 square foot building to suit the needs of Cardinal Health instead of the originally proposed three buildings.

The majority of job creation and increased business investment in San Diego is generated by existing businesses within the City. For that reason, retention of existing businesses is the one of the **key economic development priorities** for the City. Existing businesses receive tailored technical permit assistance and financial incentives to ensure that existing and future expansion needs are met.

BUSINESS EXPANSION ATTRACTION AND RETENTION (BEAR) TEAM

The BEAR Team proactively identifies businesses that are:

- vital to the region's economic health;
- offers direct assistance and incentives to retain businesses in San Diego;
- promotes their expansion, and increases jobs and investment in San Diego.

BEAR programs include: Business and Industry Incentive Program, Business Cooperation Program, and the Guaranteed Water for Industry Program.

In the last fiscal year alone, the City program worked with local businesses to:

- Create and/or retain 5,805 jobs
- Generate \$11.2 million in additional tax revenue
- Increase business capital investment by \$243 million

Additional information about the City's Business, Expansion, Attraction and Retention Program, and other business assistance programs available to small and large businesses, can be found at the City's website at **www.sandiego.gov/ced**.

ABOUT CARDINAL HEALTH

Headquartered in Dublin, Ohio, Cardinal Health, Inc. (NYSE: CAH) is a \$75 billion, global company serving the health-care industry with a broad portfolio of products and services. Through its diverse offering, Cardinal Health delivers integrated health-care solutions that help customers reduce their costs, improve efficiency and deliver better care to patients. The company manufactures, packages and distributes pharmaceuticals and medical supplies, offers a range of clinical services and develops automation products that improve the management and delivery of supplies and medication for hospitals, physician offices and pharmacies. Ranked No. 19 on the Fortune 500, Cardinal Health employs more than 55,000 people on six continents. More information about the company may be found at **www.cardinalhealth.com**.

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